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and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**STATEMENT OF JANET LODUCA IN
CONNECTION WITH CERTAIN FEE
AND EXPENSE ISSUES RELATED TO
CHAPTER 11 CASES OF PG&E
CORPORATION AND PACIFIC GAS AND
ELECTRIC COMPANY**

1 I am the Senior Vice President and General Counsel of PG&E Corporation (“**PG&E Corp.**”).
2 In my current role, I am responsible for overseeing outside counsel management and monitoring and
3 managing legal fees and expenses for both PG&E Corp. and Pacific Gas and Electric Company
4 (collectively, “**PG&E**” or the “**Debtors**”). This Statement is provided on behalf of the Debtors in
5 response to the Court’s request at the October 7, 2019 hearing (the “**Hearing**”) for a statement from
6 one of the Debtors’ senior officers regarding the Debtors’ position on certain fee and expense-related
7 matters. (Oct. 7, 2018 Hr’g Tr. 49:23-50:15.) Except as otherwise indicated herein, the facts set
8 forth in this Statement are based upon my personal knowledge, information provided to me by the
9 Debtors’ employees or advisors, or my opinion based upon my knowledge and experience as Senior
10 Vice President and General Counsel. I am authorized to submit this Statement on behalf of the
11 Debtors.

12 As Senior Vice President and General Counsel, I oversee the management of legal fees and
13 expenses incurred by the Debtors’ outside counsel. In connection with my oversight and
14 management of the Debtors’ legal fees and expenses, I have reviewed and considered the proposed
15 Fee Examiner Protocol (Dkt. No. 3762) and the Retained Professionals’ Joint Response to the Motion
16 to Approve Fee Procedures and Fee Examiner Protocol (Dkt. No. 4065).

17 I understand that as a result of the meet and confer process ordered by the Court at the hearing,
18 the Retained Professionals (from the Debtors, the TCC and the UCC) have agreed upon a revised
19 form of Fee Examiner Protocol (as so revised, the “**Protocol**”) with the Fee Examiner and the U.S.
20 Trustee’s Office (“**UST**”) that resolves all the parties’ issues with respect to the Protocol, other than
21 the issue of non-working travel. On that issue and certain additional issues raised by the UST in its
22 Response to Motion to Approve Fee Procedures and Comments Regarding First Interim Fee
23 Applications (Dkt. No. 4025), I state my position as follows.

24 **Non-Working Travel Time**

25 I expect that all professionals being compensated by the Debtors’ estates will make all
26 reasonable efforts to minimize the amount of non-working travel time, but given the extensive travel
27 time required in these large and complex chapter 11 cases, I believe compensation at 50% of the
28

1 professional's ordinary rates is appropriate. I understand that this is the approach taken in other
2 jurisdictions (Texas, Delaware) in large chapter 11 cases, and it seems to me a reasonable approach
3 to take in this case. I understand that the Northern District of California fee and expense guidelines
4 provide generally that airplane travel time is not compensable, but in cases where significant airplane
5 travel time is expected (such as the PG&E chapter 11 cases) specific guidelines should be obtained
6 for that case. I would support a guideline setting a 50% rate, but I understand the Court is considering
7 the issue in light of its own experience and Court-specific practices.

8 **Non-Admitted Attorneys**

9 I agree with the Court's statement at the Hearing that new lawyers who have not yet been
10 admitted to the bar provide valuable services that are compensable. I disagree with the UST's
11 position in its response that these lawyers should be charged at paralegal rates. I appreciate the
12 Court's "bright line" statement at the Hearing, (Oct. 7, 2019 Hr'g Tr. at 13:15-14:5, 34:5-35:8), and
13 believe that for those firms whose practice is to charge unadmitted first year associates at the same
14 rate as admitted first year associates, those practices should be changed for purposes of these Chapter
15 11 Cases to implement an appropriate downward adjustment to the rates of the unadmitted lawyers
16 working on the case. I have conveyed this view to the Debtors' Principal Outside Counsel and they
17 are in agreement.

18 **Internal Team Meetings**

19 Given the complexity of these Chapter 11 Cases and related matters, the Debtors recognize
20 that occasional large, internal team meetings are necessary to promote efficient use of resources and
21 positional consistency across such matters. However, attendance at internal team meetings should
22 be reasonably limited to the number of attorneys that are necessary for the topics or projects being
23 discussed. To the extent a particular firm being compensated by the Debtors' estates determines that
24 a large number of attendees need to be present at an internal meeting, such firm should only bill the
25 Debtors for a reasonable number of attendees or reasonable categories of attendees (e.g, lawyers who
26 have been practicing for six or more years, given their significant roles in completing and managing
27 projects).

1 **Attendance At Court Hearings**

2 From the outset of these Chapter 11 Cases, I have made it clear to the Debtors' Principal
3 Outside Counsel that the number of attendees at court hearings should be reasonably limited (in light
4 of the circumstances and the issues being addressed at the particular hearing). To date, I have been
5 satisfied with these firms' approach to the issue (and would not hesitate to raise the issue with them
6 if that were not the case). To the extent other firms have an excessive number of billers at hearings,
7 I agree with the UST that going forward that practice should be modified.

8 **Other**

9 I expect that all professionals retained by the Debtors or whose fees and expenses are paid
10 by the Debtors' estates will ensure that all requested fees and expenses are reasonable and
11 correspond with necessary or beneficial services rendered on behalf of the Debtors and their estates.

12 * * *

13
14 I declare under penalty of perjury that, to the best of my knowledge and after reasonable
15 inquiry, the foregoing is true and correct.

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18 Dated: October 24, 2019

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22 By: /s/ Janet Loduca
23 Janet Loduca
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